GOVERNMENT OF INDIA
FOOD PROCESSING INDUSTRIES
LOK SABHA

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Programme for Food Processing Industries
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Will the Minister of FOOD PROCESSING INDUSTRIES be pleased to state:

(a) whether the country's food processing sector is a small scale and unorganised sector and if so, the details thereof;

(b) whether the country's food processing sector lacks access to credit, marketing network, efficient tool/ technology and managerial knowledge and if so, the details thereof and the response of the Government thereto;

(c) whether this sector needs targeted programmes to improve access to credit, technology, market and productivity, if so, the details thereof along with the assistance provided for procurement of machineries, credit, technical advice on productivity improvement and machinery selection and trainings on adopting standardized processing system; and

(d) whether employment intensity in the food processing sector is higher as compared to that of organised sectors for the same level of investment and if so, the details thereof?

Answer

(a) The country's food processing sector is both organized and unorganized. As per latest Annual Survey of Industries: 2014-15, the total number of factories in the registered food processing sector in the country was 38, 594. As per the NSSO 67th Round, 2010-11, the number of food processing industries in unorganized sector was 22,41,192.

(b) & (c) Ministry of Food Processing Industries is implementing central sector schemes for upgradation of technology. A fund of Rs. 2000 crore has been constituted with NABARD to provide loans at concessional rate to designated Food Parks and units established therein. Loans to food & agro-based processing units and Cold Chain have been classified under Agriculture activities for Priority Sector lending. Under the Scheme for Technology Upgradation/ Establishment/ Modernization of Food Processing Industries implemented during 11th Plan, the financial assistance has been provided for setting up of new food processing units as well as Technology Upgradation and Expansion of existing units. This scheme was subsumed in the Centrally Sponsored Scheme (CSS)-National Mission on Food Processing (NMFP) with effect from 01.04.2012. The said scheme got delinked from Government of India's assistance with effect from 31.03.2015. The committed/spillover liabilities of 11th Plan are being liquidated during 12th Plan under the said scheme as per availability of funds and merits of proposals. To encourage the development of food processing industries Government has provided various fiscal incentives. The Government has reduced excise duty on food processing and packaging machinery from 10% to 6%; Excise Duty on refrigerated containers from 12.5% to 6% and Basic Custom Duty on refrigerated containers from 10% to 5%. The Government has extended concessional 5% Basic Custom Duty under project import for cold storage, cold room including pre-cooling unit, pack house, sorting & grading lines and ripening chambers under cold chain projects. The National Institute of Food Technology Entrepreneurship and Management (NIFTEM) and Indian Institute of Crop Processing Technology (IICPT) under Ministry of Food Processing Industries are conducting regular programmes / courses on skill development and entrepreneurship for the youth, farmers, self help groups and industry on self financing mode and also sponsored programmes by various organizations including PMKVY.

(d) As per the Annual Survey of Industries 2014-15 conducted by Central Statistical Office, Ministry of Statistics and Programme Implementation, number of persons engaged in registered food processing industries was 17.73 lakh and that of the manufacturing sector was 138.81 lakh.